

UNITED STATES DEPARTMENT OF
COMMERCE
SD-115

WASHINGTON, D.C. 20230

BUREAU OF
EXPORT
ADMINISTRATION

FOR IMMEDIATE RELEASE:
March 22, 2000
www.bxa.doc.gov

Contact: Eugene Cottilli
(202) 482-2721
(202) 482-2421 (fax)

**CHICAGO AREA FREIGHT FORWARDER
SETTLES ANTIBOYCOTT CHARGES**

WASHINGTON -- Commerce Assistant Secretary for Export Enforcement F. Amanda **DeBusk** today announced a \$4,000 civil penalty on BDP International Inc., for one alleged violation of the antiboycott provisions of the Export Administration Regulations by its Des Plaines, Illinois branch. BDP International Inc. is a freight forwarder with headquarters in Philadelphia, Pennsylvania.

The Department alleged that BDP, in a transaction involving a shipment to Saudi Arabia in 1997, furnished information regarding another company's business relationship with or in Israel by certifying that the goods were not of Israeli origin, did not contain Israeli materials and were not exported from Israel. Furnishing such information is prohibited by the Regulations. While neither admitting nor denying the allegations, BDP agreed to pay the civil penalty,

The antiboycott provisions of the Export Administration Act and Regulations prohibit U.S. companies and individuals from complying with certain aspects of unsanctioned foreign boycotts maintained against any country friendly to the United States that is not itself the object of any form of a U.S. sanctioned boycott. Through its Office of Antiboycott Compliance, the Commerce Department investigates alleged violations, provides support in administrative or criminal litigation of cases and prepares cases for settlement.

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)	
)	Case No <u>98-2</u>
BDP International Inc.)	
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ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce (“Department”), having determined to initiate an administrative proceeding pursuant to Section 1 l(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 and Supp. 1999)) (the “Act”)’ and the Export Administration Regulations (currently codified at 15 C.F.R Parts 730-774 **(1999))**(the “Regulations”), against BDP International Inc. (“BDP”), a domestic concern resident in the State of Illinois, based on allegations set forth in the Proposed Charging Letter, dated January 5, 2000 attached hereto and incorporated herein by this reference;

“The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 **(1995))**, extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 **(1996))**, August 14, 1996, (3 C.F.R., 1996 Comp. 298 **(1997))**, August 13, 1997 (3 C.F.R., 1997 Comp. 306 **(1998))**, August 13, 1998 (3 C.F.R., 1998 Comp. 294 **(1999)**, and August 10. 1999 (64 **Fed. Reg.** 44 10 1 (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U. S .C .A. § § 170 1 - 1706 (199 1 & Supp. 1999)).

The Department and BDP having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

I, the Assistant Secretary for Export Enforcement, having approved the terms of the Settlement Agreement:

IT IS ORDERED THAT,

FIRST, a civil penalty of \$4,000 is assessed against BDP;


SECOND, BDP shall pay to the Department in complete settlement of this matter the sum of \$4,000 within thirty days-of service upon it of this Order, as specified in the attached instructions.

THIRD, pursuant to the Debt Collections Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1999)), the civil penalty owed under this Order accrues interest as more fully described in the **attached Notice**, and, if payment is not made by the due date specified herein, BDP will be assessed, in addition to interest, a penalty -charge and an administrative charge, as more fully described in the attached Notice.

FOURTH, as authorized by Section 1 l(d) of the Act, the timely payment of the sum of \$4,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to BDP. Accordingly, if BDP should fail to pay the sum of \$4,000 in the manner prescribed by this Order, I will enter an Order under the authority of Section 1 l(d) of the Act denying all of **BDP's** export privileges for a period of one year from the date of the entry of this Order; and

FIFTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon BDP.

This Order is effective immediately.


F. Amanda DeBusk
Assistant Secretary for Export Enforcement
Bureau of Export Administration

Entered this 22nd day of March, 2000

INSTRUCTIONS FOR PAYMENT OF SETTLEMENT AMOUNT

1. The check should be made payable to:

U.S. DEPARTMENT OF COMMERCE

2. The check should be mailed to:

U. S. Department of Commerce
Bureau of Export Administration
Room 688 1
14th & Constitution Avenue, N. W.
Washington, D.C. 20230

Attention: Zoraida Vazquez

NOTICE

The Order to which this Notice is attached describes the reasons for the assessment of the civil monetary penalty and the rights, if any, that BDP may have to seek review, both within the U.S. Department of Commerce and the courts. It also specifies the amount owed and the date by which payment of the civil penalty is due and payable.

Under the Debt Collection Act of 1982, as amended (31 U.S.C.A. §§ 3701-3720E (1983 and Supp. 1999)) and the Federal Claims Collection Standards (4 C.F.R. Parts 101-105 (1999)), interest accrues on any and all civil monetary penalties owed and unpaid under the Order, **from** the date of the Order until paid in full. The rate of interest assessed BDP is the rate of the current value of funds to the U.S. Treasury on the date that the Order was entered. However, interest is waived on any portion paid within 30 days of the date of the Order. **See** 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The civil monetary penalty will be delinquent if not paid by the due date specified in the Order. If the penalty becomes delinquent, interest will continue to accrue on the balance remaining due and unpaid, and BDP will also be assessed both an administrative charge to cover the cost of processing and handling the delinquent claim and a penalty charge of six percent per year. However, although the penalty charge will be computed from the date that the civil penalty becomes delinquent, it will be assessed only on sums due and unpaid for over 90 days after that date. **See** 31 U.S.C.A. § 3717 and 4 C.F.R. § 102.13.

The foregoing constitutes the initial written notice and demand to BDP in accordance with Section 102.2(b) of the Federal Claims Collection Standards (4 C.F.R. § 102.2(b)).

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

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In the Matter of)	
)	Case No <u>98-2</u>
BDP International Inc.)	
_____)	

SETTLEMENT AGREEMENT

This agreement is made by and between BDP International Inc. (“BDP”), a domestic concern resident in the State of Illinois, and the Office of Antiboycott Compliance, Bureau of Export Administration, United States Department of Commerce (“Department”), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1999)) (the “Regulations”), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. **app. §§** 2401-2420 (1991 and Supp. 1999)) (the “Act”).’

‘The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996, (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 **Fed. Reg.** 44101 (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).

WHEREAS, the Department has notified BDP of its intention to initiate an administrative proceeding against BDP pursuant to Section 1 l(c) of the Act by issuing the Proposed Charging Letter dated January 5, 2000, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, BDP has reviewed the Proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; BDP fully understands the terms of this Settlement Agreement; and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and BDP states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, BDP neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, BDP agrees to be bound by the appropriate Order ("Order") when entered;

NOW, THEREFORE, BDP and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over BDP

with respect to the matters alleged in the Proposed Charging Letter.

2. The Department will impose a civil penalty on BDP in the amount of \$4,000. BDP will pay to the Department, within 30 days of service upon it of the Order, when entered, the amount of \$4,000 in complete settlement of all matters set forth in the Proposed Charging Letter.
3. As authorized by Section 1 l(d) of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to BDP. Failure to make payment of this amount shall result in the denial of all of **BDP's** export privileges for a period of one year from the date of entry of the Order.
4. Subject to the approval of this Settlement Agreement, pursuant to paragraph 9 hereof, BDP hereby waives all rights to **further** procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the Order, when entered) including, without limitation, any right to:
 - A. An administrative hearing regarding the allegations in the Proposed Charging Letter;
 - B. Request a refund of the funds paid by BDP pursuant to this Settlement Agreement and the Order, when entered; or

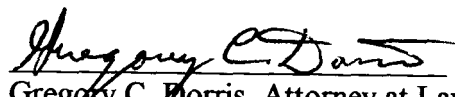
C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the Order, when entered.

5. The Department, upon entry of the Order, will not initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against BDP, with respect to any violation of Section 8 of the Act or Part 769 or redesignated Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by the Department in the course of its investigation.
6. BDP understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the Order, when entered.
7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by BDP that it has violated the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against BDP in any administrative or judicial proceeding.
8. No agreement, understanding, representation or interpretation not contained in

this Settlement Agreement may be used to vary or otherwise **affect** the terms of this Settlement Agreement or the Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed. This paragraph shall not limit **BDP's** right to challenge any action brought by any other agency based on a referral by the Department or any employee thereof, in contravention of paragraph 5 of this Settlement Agreement.

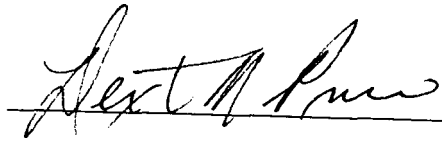
9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the Order.

BDP International Inc.


Gregory C. Dorris, Attorney at Law
Pepper Hamilton LLP
Hamilton Square
600 Fourteenth Street, N. W.
Washington, DC 20005-2004
Attorneys for BDP International Inc.

DATE: 1 / 24 / 0 0

U.S. DEPARTMENT OF COMMERCE

A handwritten signature in cursive script, reading "Dexter M. Price", written over a horizontal line.

Dexter M. Price
Director
Office of Antiboycott Compliance

DATE: March 13, 2000



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230

PROPOSED CHARGING LETTER

January 5, 2000

BDP International Inc.
1796 Sherwin Avenue
Des Plaines, Illinois 60018

Re: BDP International, Case No 98-2

Gentlemen/Ladies:

We have reason to believe and charge that you, BDP International Inc., have committed one (1) violation of the Export Administration Regulations, currently codified at 15 C.F.R. Parts 730-774 (1999), (the "Regulations") issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1999))(the "Act").¹

We charge that you, on one (1) occasion, in violation of Section 760.2(d) of the Regulations, with intent to comply with, further, or support an unsanctioned foreign boycott, furnished one (1) item of information concerning other persons' past or present business relationships with or in a boycotted country, with business concerns organized under the laws of a boycotted country, and with nationals or residents of a boycotted country.

We allege that:

1. At all times relevant to the violations alleged herein you were a domestic concern resident in the State of Illinois and as such, were a United States person as defined in Section 760.1 (b) of the Regulations.
2. In March 1997, you engaged in activities involving the transfer of goods and/or services, including information, between the United States and Saudi Arabia, activities in the interstate or foreign commerce of the United States as defined in Section 760.1(d) of the Regulations.

¹The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996, (3 C.F.R., 1996 Comp. 298 (1997)), August 13, 1997 (3 C.F.R., 1997 Comp. 306 (1998)), August 13, 1998 (3 C.F.R., 1998 Comp. 294 (1999)), and August 10, 1999 (64 Fed. Reg. 44 10 1 (August 13, 1999)), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1999)).



3. In connection with the transaction described in paragraph 2, above, on or about March 28, 1997, you provided invoice number 402897, dated March 26, 1997, containing the following language:

. . . WE ALSO CERTIFY THAT THE GOODS ARE NOT OF ISRAELI ORIGIN AND DO NOT CONTAIN ISRAELI MATERIALS. NOR ARE THEY BEING EXPORTED FOR ISRAELI.

4. By providing the item of information described in paragraph 3 above, you furnished information concerning the past or present business relationships of other persons with or in a boycotted country, with business concerns organized under the laws of a boycotted country; and with nationals or residents of a boycotted country, an activity prohibited by Section 760.2(d) of the Regulations, and not excepted. We hereby charge you with one (1) violation of 760.2(d) of the Regulations.

Accordingly, administrative proceedings are instituted against you pursuant to Section 1 l(c) of the Act and Part 766 of the Regulations for the purpose of obtaining an Order imposing administrative sanctions.²

You are entitled to be represented by counsel, and, under Section 1 l(i)(2) of the Act, to seek a consent agreement. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to a hearing on the record as provided in Section 1 l(c)(2)(B) of the Act.

If you fail to answer the allegations contained in this letter within thirty (30) days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between the Bureau of Export Administration and the U.S. Coast Guard, the U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matter set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filed with:

²Administrative sanctions may include any or all the following:

- a. The maximum civil penalty of \$11,000 per violation (see 15 C.F.R. § 6.4(a)(3)(1999);
- b. Denial of export privileges (see § 764.3(a)(2) of the Regulations); and/or
- c. Exclusion from practice (see § 764.3(a)(3) of the Regulations).

U.S. Coast Guard ALJ Docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Export Administration at:

Office of the Chief Counsel for Export Administration
U.S. Department of Commerce
Room H-3 839
14th Street & Constitution Avenue, N.W.
Washington, D.C. 20230

Sincerely,

Dexter M. Price
Director
Office of Antiboycott Compliance